Production of fertilizers

4358. SHRI SURESH PACHOURI: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the target set for production of different kinds of fertilizers during the Ninth Five Year Plan;

(b) how far these targets have been achieved;

(c) the details of steps taken to improve the production of fertilizers in the country; and

(d) how Government propose to discuss the problem of balanced use of NPK?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI SUKHDEV SINGH DHINDSA): (a) and (b) Target, actual achievement of production and percentage of capacity utilisation of fertilizer in nutrient terms during Ninth Five Year Plan is given below:

('000'MT)

Year	Nitrogen			Phosphate		
	Target	Actual capacity utilisation	%age	Target	Actual	%age capacity utilisation
1997-98	9610.6	10085.9	101.5	2859.6	2975.9	101.0
1998-99	10682.5	10479.5	99.6	3026.6	3140.6	99.1
1999-2000	11067.1	10890.3	100.5	3344.8	3398.6	95.0
2000-2001	11214.3	10961.8	94.9	3993.3	3743.3	87.1
2001-2002	11659.0	10768.0	89.6	4930.0	3860.0	75.7

(c) The fertilizer industry is currently facing problem on two fronts for matching production with the installed capacity. First, limitation in availability of natural gas specially for gas based urea plants such as RCF-Thal and KRIBHCO-Hazira and second, on account of frequent shut down/break down of old vintage plants. Department of Fertilizers is pursuing with Ministry of Petroleum and Natural Gas to make available adequate and qualitative gas to fertilizer plants. Supplementing available gas/feedstock through supplies from

recently discovered natural gas resources and/or liquefied natural gas (LNG) and have initiated steps for long-term tie-up with their prospective suppliers to overcome constraints in the domestic availability of gas. Further, many urea manufacturers have installed dual fuel facility of naphtha for supplementing alternate feed.

To encourage investment for increasing production capacity in the fertilizer sector, the following facilities/concessions have also been made available to the fertilizer industry by the Government:—

(i) Deemed Export Benefit to indigenous suppliers of capital goods to fertilizer projects provided such supplies are made under the procedure of international competitive bidding.

(ii) Under the new group concession scheme/revised policy applicable from 1-4-2003 for urea units, manufacturers, whose applicable concession rate is economically efficient, are being encouraged to produce urea beyond their re-assessed capacity.

(iii) Concession on sale of decontrolled phosphatic and potassic fertilizers is available to manufacturers/importers.

(iv) Import of capital goods for setting up of new fertilizer plant/ modernization of existing units at a concession rate of customs duty.

(v) Import of fertilizer raw materials and intermediates at a concession rate of customs duty.

(d) The Government of India is promoting the soil test based judicious and balanced use of chemical fertilizers, organic manure and bio-fertilizers and accordingly implementing a scheme on balanced and integrated use of fertilizers, which provides for giving financial suppport for strengthening/setting up of soil testing laboratories and compost plants in order to encourage balanced use of NPK. Under the scheme, funds amounting to Rs. 1287.97 lakh were released for strengthening/setting up of 166 soil testing laboratories and 9 compost plants during the 9th plan period.